

MFA Code of Conduct

A. Preamble. The MFA, an instrumentality of the state government, exists to serve the citizens of the state of New Mexico. In order to maintain the respect, trust and confidence of the public, all Members, Management and Employees must use the powers and resources of their office only to advance the public interest and not to obtain personal benefits or pursue private interests incompatible with the public interest. Members, Management and Employees shall conduct themselves in a manner that justifies the confidence placed in them by the public, at all times maintaining their integrity and discharging ethically their responsibilities in the course of their association with the MFA.

B. Purpose. The purpose of this Code of Conduct is to provide general guidelines and a minimum standard of conduct for Members, Management and Employees of the MFA and to implement the conflict of interest provisions of the MFA Act (Section 58-18-25, NMSA 1978) for Members, Management, Employees, as well as for members of MFA's Funding Committees.

C. Definitions. For purpose of this Code of Conduct, the following words and phrases shall have the following meanings:

"Business" means a corporation, partnership, limited partnership, limited liability company, proprietorship, trust, firm, organization or other entity.

"Confidential Information" means information a Member, Management or Employee has obtained or may obtain by virtue of his/her status as a Member, Management or Employee and which is not available to the public.

"Disclosure Statement" means the disclosure statement required by sub-section D of this Code of Conduct.

"Employee" means any person employed by the MFA.

"Employment" means rendering services for compensation as an employee.

"Family Member" means with respect to each Member, Management and Employee, the Member's, Management's or Employee's spouse, domestic partner, children, grandchildren, parents, siblings, grandparents, mother-in-law, father-in-law, sister-in-law, brother-in law, uncle, aunt, first cousin, or anyone residing in a Member's, Management's or Employee's household.

"Financial Interest(s)" means an interest in a Business as an owner, partner, shareholder, investor, trustee, beneficiary, lender, officer, director, member, employee or consultant.

"Funding Committee" means a committee comprised of community members active in the fields of housing, banking, business, or social programs, and created to advise MFA staff on and in certain cases to select for MFA Board approval, recipients of funding awards from the Housing Trust Fund, the Land Title Trust Fund, the Low Income Housing Tax Credit Program, or other funding sources administered by MFA.

"Member" means a member, and with respect to an ex-officio Member, his or her proxy, of the Board of Directors of the MFA.

"Management" means the Executive Director, Deputy Director of Programs, Deputy Director of Finance and Administration, and Director of Human Resources employed by the MFA.

"Official Act" means any action taken by a Member, Management, or Employee that is within her/his capacity to take by virtue of his/her position and which constitutes a decision, resolution, determination, recommendation, approval, disapproval, or other action that involves the exercise of discretionary authority.

"Transaction" means any transaction including, but not limited to, any sale, purchase, or exchange of tangible or intangible property or services, any loan, loan commitment or loan guarantee, any sale, purchase, or exchange of mortgage loans, notes or bonds, or any other business arrangement or contract therefore.

D. Principles and Disclosure Obligations.

1. Principles. All MFA Members, Management, Employees and Funding Committee members shall adhere to the following principles:

- a) No Member, Management, Employee or Funding Committee member should take any action in their official capacity that would in any way benefit the member or a member of his/her family (to include spouse, domestic partner, children, grandchildren, parents, siblings, grandparents, parents-in-law, brother-in-law or sister-in-law, uncle, aunt, first cousin, or anyone residing in the Member's, Management's, or Employee's household).
- b) If any Member, Management, Employee or Funding Committee member of the MFA is aware of having any form of Financial Interest in any MFA business, and is aware that an action he/she may take in their official capacity might impact that Financial Interest, that person must disclose the Financial Interest to the MFA and must not become involved in MFA actions affecting that Financial Interest.
- c) Any Financial Interest held by any Member, Management, Employee or Funding Committee member of the MFA should be disclosed, no matter the degree of the Financial Interest.

2. Initial and Annual Disclosures. Within thirty (30) days of assuming duties as a Member or commencing Employment with the MFA, each new Member, Management and Employee will be required to complete a Disclosure Statement, in the form of attached Exhibit A, which shall disclose to the best of his/her knowledge, his/her and/or his/her Family Members' Financial Interest(s) in any Business engaged in, or proposing to engage in, any Transaction with the MFA. On or before January 1 of each year, each MFA Member, Management and Employee shall complete and deliver to the MFA a disclosure statement disclosing to the best of his/her knowledge, his/her and his/her Family Members' Financial Interest(s) in any Business engaged or, proposing to engage in any Transaction with the MFA. The disclosure statement shall be in the form of Exhibit A ("Disclosure Statement") and shall contain at least the following information:

- a) the name of the Business engaging in, or proposing to engage in, a Transaction with the MFA;
- b) if the Transaction is with a Business in which an Employee or Employee's Family Member has a Financial Interest, the approximate value of the Transaction.

A list of all MFA programs or proposed programs that a Member, Management, Employee or Family Member is likely to participate in and/or benefit from.

3. Updated Disclosures. Each Member, Management and Employee shall update his/her Disclosure Statement within forty-five (45) days of the date that, to the best of his/her knowledge:

- a) he/she or any Family Member acquires a Financial Interest in any Business engaging in, or proposing to engage in, a Transaction with the MFA;

- b) he/she learns that a Family Member has a Financial Interest in a Business which is engaging in, or proposing to engage in, a Transaction with MFA; or
- c) he/she learns that a Business in which he/she or any Family Member has a Financial Interest, is engaging in, or proposing to engage in, a Transaction with the MFA.

4. **Special Disclosures.**

- a) **Funding Committees.** Upon the commencement of a funding round, each member of MFA's Allocation Review and Design Committees of the Low Income Housing Tax Credit (LIHTC) Program, Housing Trust Fund and Land Title Trust Fund Advisory Committees, and all other MFA Funding Committees, shall disclose, upon receipt of the list of applicants to the funding round, his/her and any Family Member's Financial Interest in any entity named on the list of applicants to that funding round. The disclosure statement shall be in the form of Exhibit B ("Funding Committee Disclosure Statement")
- b) **Project-Specific Multifamily Bonds.** Prior to the issuance of a project-specific multi-family housing bond, each MFA Member, Management, and Employee shall disclose any Financial Interest he/she or any Family Member has in any entity proposing to engage in the bond transaction with MFA. The disclosure statement shall be in the form of Exhibit C ("Multi-Family Bond Disclosure Statement")

5. Disclosure Process. Completed Annual and Updated Disclosure Statements are to be provided to MFA's Director of Human Resources who shall review them with MFA's in-house Attorney to determine the existence or potential existence of a conflict of interest on the part of any MFA Board Member, Management or Employee with regard to any MFA Transaction or anticipated Transaction. It shall be the responsibility of the Human Resources Director and MFA's in-house Attorney to inform the Policy Committee of any existing or anticipated conflicts of interest indicated in any Disclosure Statement form. If approval of the Board is required for any Transaction under sub-section F of this policy, it shall be the responsibility of MFA's in-house Attorney to disclose the Transaction to the Board and to request the required approval.

Special Disclosures will be distributed and collected by MFA's Housing Development Department.

E. Gifts. No Member, Management or Employee may, directly or indirectly, solicit or accept any money or other thing of value that is conditioned upon or given in exchange for performing or promising to perform an Official Act, which may influence the manner in which he/she performs an Official Act, or which may create the appearance that it influenced him/her in the performance of an Official Act.

F. Conflict of Interest Transactions.

1. Prohibited Transactions - Members, Management and Employees.

- a) **Official Act.** No Member, Management or Employee shall take any Official Act which may directly or indirectly benefit his/her or a Family Member's position or Financial Interests.
- b) **Confidential Information.** No Member, Management or Employee shall utilize Confidential Information to benefit himself/herself or a Family Member. Members, Management and Employees shall safeguard all information that is of a confidential or proprietary nature, and shall not disclose such information, except as otherwise authorized. A Confidentiality Agreement in the form of Exhibit D shall be signed by all Management and Employees and kept on file.
- c) **Member, Management and Employee Transactions.** No Business in which a Member, Management or Employee (or a Family Member) has a Financial Interest shall engage in a Transaction with the MFA unless the Member, Management or Employee has disclosed his/her or his/her Family Member's Financial Interest in the Business to the MFA in the manner provided in sub-section D of this policy prior to engaging in the Transaction **and**, with respect to all Transactions of Members and Management, and Employee Transactions in excess of \$10,000, the Transaction is approved by a

disinterested majority of the MFA Members. Transactions of Employees of \$10,000 or less may be approved by the Executive Director provided a disclosure of such Transactions is made to the MFA Board and is recorded in the minutes of the meeting in which it is made.

2. **Transactions Involving Former Members or Management.** The MFA shall not enter into any Transaction with a former Member or former Management for a period of one (1) year after the Member or Management ceases to be a Member or Management of the MFA, except with prior approval of a disinterested majority of all the MFA Members.
3. **Other Employment.** Members, Management and Employees shall not engage in or accept employment or render services for other persons when that employment or service is incompatible with or may affect the discharge of their official duties or when that employment may tend to impair their independence of judgment or action in the performance of their official duties. The Executive Director must approve all outside employment by an Employee prior to his/her accepting outside employment. The MFA Board must approve all outside employment by the Executive Director prior to his/her accepting outside employment.
4. **Exceptions.** Nothing in this Code of Conduct shall be deemed or construed to limit the right of any Member, Management or Employee of the MFA to:
 - a) acquire or purchase any interest in bonds or notes of the MFA;
 - b) have a Financial Interest in, or do business with, any banking institution in which MFA funds are or are to be deposited or which is or is to be acting as trustee or paying agent under any trust indenture to which the MFA is a party; or
 - c) accept employment with the MFA.

G. Political Activities. A Member, Management or Employee shall not, through his or her position at the MFA:

1. directly or indirectly coerce, command, advise, solicit or attempt to coerce, command, advise or solicit anyone to pay, lend or contribute money or other thing(s) of value to a party, committee, organization, agency or person for political purposes; or
2. use MFA funds, resources or time for any political candidate or purpose.

H. Sanctions and Penalties. Violation of any part of this Code of Conduct by any Management or Employee may subject the violator to disciplinary action up to and including termination of employment and to such other penalties as may be provided by law.

I. Effective Date. This Code of Conduct is effective October 17, 2012.